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## Australia

## Wine

## Annual

## 2004

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**Report Highlights:**

Australian wine production is forecast at record levels for 2004/05, driven by increasing wine grape bearing area. Exports are also forecast at record levels in 2004/05, as are inventory levels. Australian wine exports have increased four-fold since 1996/97 and look set to continue rising over the medium term.

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Includes PSD Changes: Yes  
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Canberra [AS1]  
[AS]

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## SECTION ONE: SITUATION AND OUTLOOK

### General

The Australian wine industry dates back to the beginning of European settlement in the early 1800's. However, it was not until after the Second World War that a significant industry emerged, assisted by the rapid influx of post-war migrants from continental Europe. Wine is now Australia's fastest growing agricultural industry, ranking as the ninth largest in value terms.

Australia's wine production and exports have grown very rapidly over the last fifteen to twenty years. Just since 1996/97, wine grape production has more than doubled and wine exports have increased by four times.

Large companies dominate Australia's wine industry, with the top five winemakers accounting for over one-half of total grape crush. The remainder is comprised of a handful of medium-sized companies and a number of small-scale specialist winemakers.

### Weather Conditions

The 2003/04 season was characterized by a return to more normal weather following one of the worst droughts in over a century in 2002/03. Favorable rainfall across most wine grape growing regions allowed production to rebound sharply from the drought-reduced 2002/03 season. Improved climatic conditions have also provided a steady improvement in irrigation water availability.

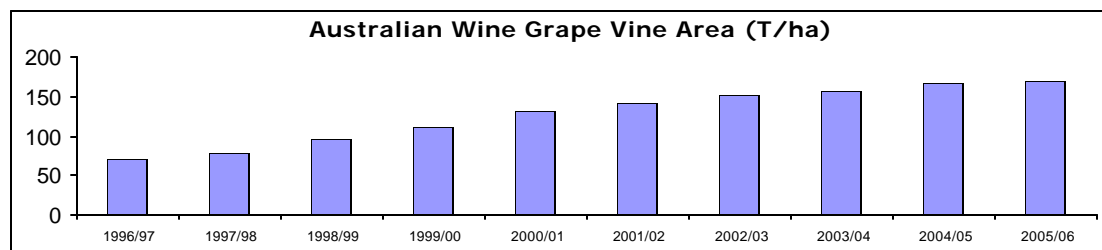
Recent precipitation in Victoria, South Australia and Western Australia have provided an upbeat outlook for the upcoming 2004/05 season. Irrigation water reserves continue to improve, despite still remaining at below average levels.

### Wine Grape Production

#### Area

Bearing area for wine grapes is forecast at 166,000 hectares in 2004/05, according to figures from the Australian Bureau of Agriculture and Resource Economics (ABARE). This represents a six-percent increase over the previous year, and double the bearing area registered in 1997/98.

ABARE projects that total wine grape plantings will continue increasing at a rate of between two and five percent per annum, reaching 183,000 hectares in 2008/09. These figures account for vine removals, which have reached significant levels, but continues to be surpassed by new plantings.

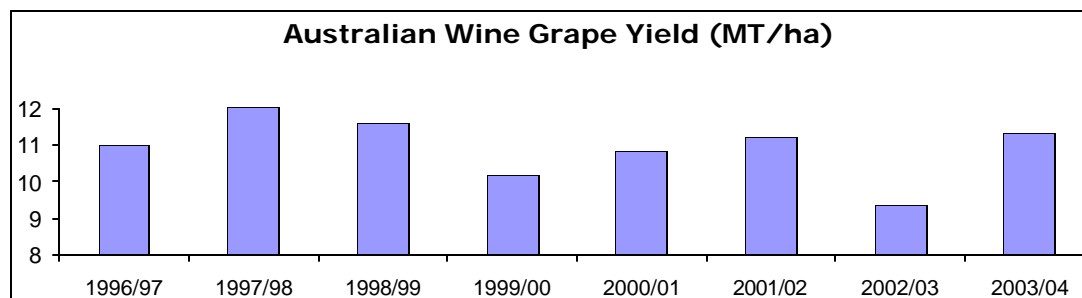


Source: ABARE

### Yield

Wine grape yield for the 2003/04 season is estimated at about 11.3 metric tons (MT) per hectare, according to ABARE figures. This represents a significant rise from the 9.3 MT per hectare registered for the previous year. The increase is mostly attributed to a return to more normal weather, following the severe drought.

ABARE projects yields at about 11.4 MT per hectare out to 2008/09. Although the drought cut yield significantly in 2002/03, the low average age of the Australian vine crop is the major constraint to higher grape yields.

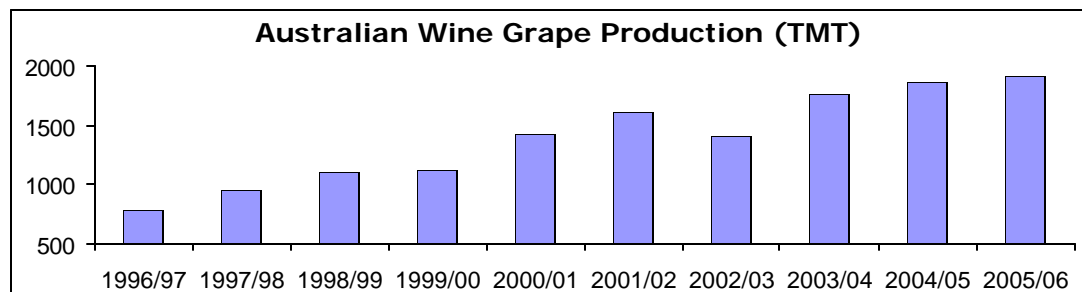


Source: Figures derived from ABARE area and production numbers

### Production

Wine grape production is forecast at a record 1,865 TMT in 2004/05, up nearly six percent from the record crop of the previous year. The forecast production increase is principally driven by a six percent rise in bearing area. Post has assumed a continuation of normal weather conditions in arriving at this forecast. ABARE reports that the production increase is being driven by the surge in red wine varieties planted in the late 1990's in response to the then high prices.

Wine grape production for 2003/04 is estimated at a record 1,793 TMT, up sharply on the drought-reduced 2003/04 crop, but unchanged from Post's previous annual report (AS3018). ABARE currently estimates the 2003/04 crop at 1,765 TMT, noting that the crop suffered some heat stress and reduced average yields. Industry sources, however, indicate that the crop may be as high as 1,860 TMT. Post notes that industry sources have been surprised by intake surpassing expected production.



Source: ABARE

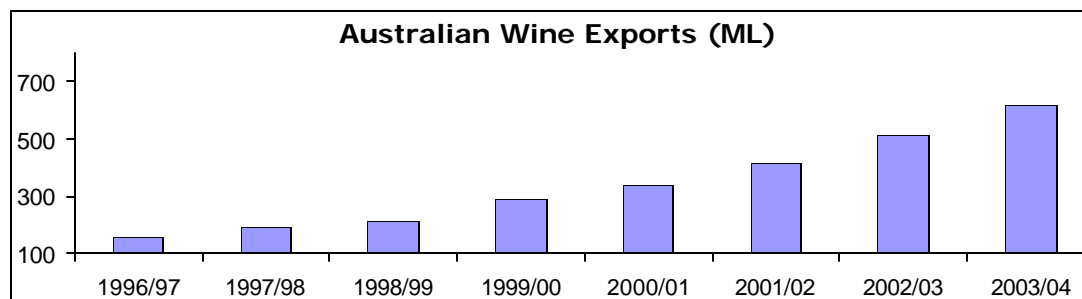
## Wine Production

Post forecasts wine production in 2004/05 (referred to in Australia as the 2005 vintage) at 13.06 million hectoliters (MHL). If achieved, this would represent a record outturn, surpassing the estimated 12.55 MHL produced in 2003/04. A significant increase in bearing area, together with a natural rise in yield associated with maturing vines, should continue to drive production increases over the medium term. Post uses a conversion factor of 0.7 to convert grape crush into wine production.

## **Exports**

Wine exports are forecast at 6.74 MHL in 2004/05 (July-June), up 17 percent from the record level estimated for the previous year. This export level is in-line with ABARE's forecast and within the range of industry expectations. Higher production levels, growing stock levels and continued export market penetration are driving the forecast increase.

Wine exports for 2003/04 are estimated at a record 5.76 MHL, up 11 percent from the previous year. This increase is in-line with year-to-date (July 2003 to April 2004) Australian Bureau of Statistics (ABS) figures, which show an 11 percent increase on the same period for the previous year. Increased production and high stock levels have significantly boosted the availability of wine for export.



Source: ABARE

In calendar year (CY) 2003, the five largest export markets accounted for about 83 percent of Australia's total wine exports. These markets were the UK, the United States, New Zealand, Canada and Germany (in order of volume). With the exception the UK, wine exports to these markets increased by 33 percent or more. Exports to Germany increased by 76 percent. Exports to the UK, Australia's largest export market, fell by around six percent.

The Australian dollar has appreciated markedly against the currencies of major trading partners over the past several years. For example, the Australian dollar was valued at US\$0.69 in mid-May 2004, down from its peak of US\$0.80 in early 2004, but up six percent from the average of US\$0.652 in 2003 and about 36 percent higher than the average of US\$0.544 in 2002. Australia's competitiveness in world agricultural markets and returns to domestic producers are heavily impacted by the exchange rate of the Australian dollar.

## **Imports**

Australia's total wine imports in 2004/05 are forecast at 185,000 HL, slightly higher than the previous year. This is in-line with import trends showing incremental annual increases since 1999/2000. Wine imports peaked at a record 258,000 HL in 1997/98, before large domestic

wine grape crops and a lower Australian dollar combined to place downward pressure on imports.

### **Domestic Consumption**

Domestic wine consumption in 2004/05 is forecast at 4.9 MHL, up significantly from the 4.5 MHL estimated for the previous year. Up-to-date official consumption estimates are unavailable. Domestic wine consumption is being driven by the popularity of wine and very favorable pricing. Post uses ABARE domestic wine sales of 4.01 MHL in 2002/03 for domestic consumption in that year.

### **Marketing and Industry Structure**

#### Industry Representation

There are two Australian Government statutory authorities responsible for regulation and conducting activities and programs for the wine industry -- the Australian Wine and Brandy Corporation (AWBC) and the Grape and Wine Research Development Corporation (GWRDC). The AWBC is responsible for export regulation compliance, the promotion of Australian wine (domestically and internationally), maintaining the integrity of Australia's wine labels and wine making practices, defining the boundaries of Australia's wine areas, and addressing international market access issues on behalf of the industry. The GWRDC is responsible for investing in grape and wine research and development.

The AWBC is primarily funded by statutory levies. Levy payers are comprised of wine and brandy producers, who pay the Winegrape Levy, and wine and brandy exporters, who pay the Wine Export Charge. The Winegrape Levy is payable on the quantity of grapes used by the winemaker. The Wine Export Charge is payable by licensed wine exporters based on the FOB value of their wine exports. The levy rate is 0.2% for the first A\$10 million of FOB export sales, 0.1% on the next A\$40 million and 0.05% on the remaining FOB export sales.

The GWRDC is funded by statutory levies and Commonwealth contributions. Levies are collected on the annual grape harvest (Grape Research Levy) and on wine yield (Winegrape Levy). The maximum "allowable" rate for the Winegrape levy was increased from A\$3.00 per metric ton to A\$10.00 per ton in 2003. As of July 1, 2004, the industry can seek to increase the operative rate up to the A\$10.00 per ton level (from current A\$3.00/ton.) In 2002/03, the GWRDC was funded with A\$7.8 million from levy collections and A\$7 million from matching government funds.

The Australian Wine Export Council (AWEC), a subsidiary of AWBC, is the export promotion arm of AWBC. AWEC is made up of Australia's wine producing companies, licensed exporters and members of the AWBC board. AWEC's head office is in Adelaide, South Australia, and staff are located in London, Frankfurt, New York, Toronto and Tokyo. AWEC conducts wine promotion programs in conjunction with Australian wine exporters in the UK, Ireland, the Netherlands, Germany, Switzerland, Sweden, Denmark, Norway, Finland, Japan and other Asian countries, and the United States and Canada. AWEC also works closely with the government's export promotion arm -- Austrade.

The Winemakers Federation of Australia is the peak industry body representing the interests of Australia's winemakers. The Federation develops policies and programs to increase net returns to wine makers. The Federation represents about 90% of Australia's wine production and about 98% of exports. The Federation is funded by voluntary levies.

The Winegrape Growers' Council of Australia, which represented winegrape growers, has been disbanded. Investigations are ongoing to possibly develop a new group to represent the industry.

There are also state and territory wine associations.

#### Leading Winemakers

Australia's winemaking sector is dominated by a handful of large winemakers. The biggest wine firms in Australia are the Hardy Wine Company, Southcorp, McGuigan Simeon Wines, Orlando Wyndham, and Beringer Blass. The wine industry continues to consolidate, with a number of notable buyouts and mergers over the last year.

The Hardy Wine Company, Australia's largest wine firm, is owned by U.S.-based Constellation Brands, which acquired Australian-owned BRL Hardy in 2003. For the 2004 vintage, Hardy has reported a total record grape crush of 329,500 MT, up 28% from 2003 vintage and 5% higher than the previous high of 313,530 MT in 2002. Yellowtail is a Hardy brand that is reported to be the biggest selling Australian wine in the United States. Hardy has focused considerable efforts on marketing wine priced in the mid-range or "lifestyle" segment.

Southcorp Limited has reported an intake of 277,749 MT of grapes for the 2004 vintage, up 23% from 2003. A total of 64,338 MT of this quantity was sourced from Southcorp's own vineyards, up 60% from the previous year. Southcorp's major wine brands include Penfolds, Rosemount and Lindemans.

McGuigan Simeon Wines has reported a total intake of 245,000 MT of grapes for the 2004 vintage, up 40% from last year. This 2004 total included 22,000 MT of grapes that were the result of last year's acquisition of Miranda Wines.

The French company Pernod Ricard SA has owned Orlando Wyndham Group Pty Ltd. since 1989. Orlando Wyndham likely processed about 180,000 to 200,000 MT of grapes for the 2004 vintage; a reported 179,000 MT of grapes were processed in 2003. Orlando Wyndham produces Jacob's Creek, a major domestic brand and one of Australia's leading wine export labels.

Foster's Group is the owner of Beringer Blass Wine Estates, which was created from the 2000 merger of the U.S. company Beringer Wine Estates and Australian-owned Mildara Blass Limited. Beringer Blass reports Australian grape intake in 2004 at 106,572 MT, up 8% from the previous year.

#### Export Finance and Insurance Corporation

The Australian Government's Export Finance and Insurance Corporation (EFIC) provide exporters with a range of finance and insurance services, including Export Payment Protection.

### **Policy**

#### Wine Regulation

Wine exports are subject to licensing and inspection and must comply with food standards. AWBC controls the export of grape products by issuing licenses for the export of wine and other defined grape products. AWBC regulations require exporters of grape products to be licensed where individual shipments exceed 100 liters. AWBC also ensures that Australian

wine intended for export is of sound and merchantable quality. An export Permit issued by AWBC is required for each wine destined for export, unless the consignment of wine is less than 100 liters. In addition, wine must comply with Australian standards as set out in the Food Standards Australia New Zealand in the Food Standards Code. Grape products exported that claim to be "organic" or "bio-dynamic" must also comply with the provisions of the Export Control (Organic Certification) Orders issued under the Export Control Act of 1982.

#### Wine Taxation

Wine in Australia is subject to heavy taxation. Wine Equalization Tax (WET) is applied to domestic wine sales at 29 percent. A 10 percent goods and services tax (GST) is also applied to each wine transaction, similar to all other goods and services trade in Australia.

#### Free Trade Agreement

Australia-U.S. FTA: Australia has recently completed free trade agreement (FTA) negotiations with the United States. The FTA will provide immediate duty-free access for U.S. agricultural products exported to Australia, and will ultimately result in duty-free trade for all Australian agricultural exports to the United States, with the exception of certain dairy products and raw cane sugar.

The FTA provides for tariffs on Australian wines exported to the US to be reduced to zero, over a period of 11 years. Current U.S. tariffs applied to Australian wine range from US\$0.08-0.33 per liter.

The Australia-U.S. FTA has generated much public debate in Australia. The Australian sugar industry has complained vocally about the sugar provisions of the agreement. However, key farm industry bodies, including the National Farmers Federation, and peak bodies for dairy, beef, lamb/mutton and wool, generally support the agreement. The AWBC has also publicly supported the agreement.

In CY 2003, the United States was the largest export destination for Australian wine by value, and the second largest by volume. Export volumes to the United States have doubled in the two years since CY 2001.

Australia-Thailand FTA: Australia completed FTA negotiations with Thailand in October 2003, with the agreement to be implemented on January 1, 2005.

Under the agreement, Thailand will immediately reduce the current 60 percent tariff applied to Australian wine to 40 percent. The remainder of the tariff will be reduced to zero by 2015.

Thailand is considered to be a small market, receiving less than two percent of Australian wine exports by volume.

#### Vietnam Drops Wine Tariffs

Vietnam has announced that it will drop its wine tariffs on Australian wines, matching the reduction applied to European Union wines that was agreed to in 2003. The reduction of tariffs applied to EU wine and spirits is taking place in two stages – 100% to 80% in January 2004, and 80% to 70% in January 2005. Vietnam will also eliminate minimum import pricing on wines and spirits. Australia's share of Vietnam's wine market is about 5%, but has grown 20% in the last five years.



Wine Equalization Tax Rebate

Recent taxation changes in Australia have made provision for a rebate to assist small wine producers. This rebate allows Australian wineries to sell (wholesale) A\$1 million of wine before having to pay the 29 percent wine equalization tax. New Zealand has complained about this action calling it a breach of the free trade agreement between the two countries, which requires taxes to apply equally to goods from both countries, and a possible breach of the WTO. These taxation changes are valued by the government at around A\$58 million, moving up to A\$100 million by 2007/08.

## SECTION TWO: STATISTICAL TABLES

PS&amp;D Table

Australia Wine							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		07/2002		07/2003		07/2004	MM/YYYY
TOTAL Grape Crush	1420	1411	1793	1793	0	1865	(1000 MT)
Begin Stock (Ctrl App)	0	0	0	0	0	0	(1000 HL)
Begin Stock (Other)	0	0	0	0	0	0	(1000 HL)
TOTAL Beginning Stocks	9907	9907	10483	10485	12349	12957	(1000 HL)
Prod. from Wine Grapes	9226	9153	11822	11920	0	12425	(1000 HL)
Prod. from Tabl Grapes	714	617	728	630	0	630	(1000 HL)
TOTAL PRODUCTION	9940	9770	12550	12550	0	13055	(1000 HL)
Intra-EU Imports	0	0	0	0	0	0	(1000 HL)
Other Imports	146	178	146	183	0	185	(1000 HL)
TOTAL Imports	146	178	146	183	0	185	(1000 HL)
TOTAL SUPPLY	19993	19855	23179	23218	12349	26197	(1000 HL)
Intra-EU Exports	0	0	0	0	0	0	(1000 HL)
Other Exports	5210	5190	6130	5761	0	6740	(1000 HL)
TOTAL Exports	5210	5190	6130	5761	0	6740	(1000 HL)
Dom.Consump(Cntrl App)	0	0	0	0	0	0	(1000 HL)
Dom.Consump(Other)	4300	4180	4700	4500	0	4900	(1000 HL)
TOTAL Dom.Consumption	4300	4180	4700	4500	0	4900	(1000 HL)
End Stocks (Cntrl App)	0	0	0	0	0	0	(1000 HL)
End Stocks (Other)	10483	10485	12349	12957	0	14557	(1000 HL)
TOTAL Ending Stocks	10483	10485	12349	12957	0	14557	(1000 HL)
TOTAL DISTRIBUTION	19993	19855	23179	23218	0	26197	(1000 HL)

IMPORTS BY COUNTRY OF ORIGIN						
(HL &A\$'000)						
	2001		2002		2003	
	Volume	Value	Volume	Value	Volume	Value
<b>Champagne</b>						
France	10,534	25,732	14,321	36,287	17,313	47,954
Italy	9,902	8,762	10,324	8,357	11,098	7,689
New Zealand	2,452	2,537	5,705	6,534	6,901	6,001
Spain	61	62	1,590	843	1,685	832
Chile	712	335	653	315	685	226
<b>United States</b>	<b>42</b>	<b>53</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>7</b>
Other	99	613	239	432	291	605
<b>Total</b>	<b>23,802</b>	<b>38,094</b>	<b>32,838</b>	<b>52,772</b>	<b>37,974</b>	<b>63,314</b>
	2001		2002		2003	
	Volume	Value	Volume	Value	Volume	Value
<b>Sparkling Wine</b>						
Italy	6,531	1,997	2,814	1,126	5,980	2,308
France	716	579	534	1,030	1,031	691
Spain	1,209	616	754	438	737	322
New Zealand	145	171	227	406	335	473
Germany	76	40	101	39	87	44
<b>United States</b>	<b>21</b>	<b>69</b>	<b>909</b>	<b>49</b>	<b>6</b>	<b>5</b>
Other	118	237	270	239	53	51
<b>Total</b>	<b>8,816</b>	<b>3,709</b>	<b>5,609</b>	<b>3,327</b>	<b>8,229</b>	<b>3,894</b>
	2001		2002		2003	
	Volume	Value	Volume	Value	Volume	Value
<b>Table Wine</b>						
New Zealand	23,671	21,967	35,839	33,740	3,987	37,522
Italy	26,903	10,751	23,194	10,450	19,673	9,264
France	14,329	12,585	15,763	15,809	11,907	16,289
Portugal	1,113	434	4,176	1,608	5,591	1,837
Germany	2,230	1,061	3,047	1,502	2,677	1,578
<b>United States</b>	<b>1,369</b>	<b>652</b>	<b>699</b>	<b>769</b>	<b>756</b>	<b>695</b>
Other	9,987	4,250	10,239	4,902	47,563	6,730
<b>Total</b>	<b>79,602</b>	<b>51,700</b>	<b>92,957</b>	<b>68,780</b>	<b>92,154</b>	<b>73,915</b>
	2001		2002		2003	
	Volume	Value	Volume	Value	Volume	Value
<b>Fortified Wine (incl Sherry, Port, Muscat, Dessert Wine)</b>						
Spain	567	452	564	519	740	686
Cyprus	4	3	32	21	263	161

Greece	9	6	106	12	177	45
New Zealand	0	1	0	0	131	148
Portugal	38	63	56	114	95	147
<b>United States</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other	201	143	51	81	65	73
<b>Total</b>	<b>820</b>	<b>671</b>	<b>809</b>	<b>747</b>	<b>1,471</b>	<b>1,260</b>
	<b>2001</b>		<b>2002</b>		<b>2003</b>	
	<i>Volume</i>	<i>Value</i>	<i>Volume</i>	<i>Value</i>	<i>Volume</i>	<i>Value</i>
<b>Vermouth</b>						
Italy	6,466	2,274	5,191	2,126	4,881	1,748
New Zealand	7,014	4,595	5,719	4,111	893	210
Greece	448	89	455	96	443	89
France	535	274	589	331	329	223
Croatia	28	11	82	31	81	28
<b>United States</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>
Other	100	68	180	93	61	42
<b>Total</b>	<b>14,591</b>	<b>7,311</b>	<b>12,217</b>	<b>6,789</b>	<b>6,688</b>	<b>2,340</b>
	<b>2001</b>		<b>2002</b>		<b>2003</b>	
	<i>Volume</i>	<i>Value</i>	<i>Volume</i>	<i>Value</i>	<i>Volume</i>	<i>Value</i>
<b>Other (incl Grape Must)</b>						
New Zealand	265	255	204	237	453	551
Italy	1,874	770	1,900	674	359	155
Greece	1,423	379	874	258	312	96
<b>United States</b>	<b>10</b>	<b>14</b>	<b>164</b>	<b>103</b>	<b>206</b>	<b>119</b>
Singapore	0	0	0	0	197	237
Portugal	3,067	1,297	630	324	188	107
Other	1,023	1,624	659	293	452	259
<b>Total</b>	<b>7,662</b>	<b>4,339</b>	<b>4,431</b>	<b>1,889</b>	<b>2,167</b>	<b>1,524</b>
	<b>2001</b>		<b>2002</b>		<b>2003</b>	
	<i>Volume</i>	<i>Value</i>	<i>Volume</i>	<i>Value</i>	<i>Volume</i>	<i>Value</i>
<b>Total Wine Imports</b>						
New Zealand	34,426	29,897	47,835	45,094	48,678	44,916
Italy	54,992	25,843	46,371	23,836	44,974	22,246
France	26,625	40,563	31,525	53,610	31,131	65,395
<b>United States</b>	<b>1,649</b>	<b>887</b>	<b>1,898</b>	<b>996</b>	<b>11,640</b>	<b>2,221</b>
Portugal	4,243	1,800	4,862	2,046	5,873	2,091
Spain	4,054	1,997	5,070	2,847	5,354	3,087
Other	16,253	7,886	36,957	13,560	16,635	9,972
<b>Total</b>	<b>142,242</b>	<b>108,873</b>	<b>174,518</b>	<b>141,989</b>	<b>164,285</b>	<b>149,928</b>

EXPORTS BY DESTINATION						
(HL &A\$'000)						
	2001		2002		2003	
	Volume	Value	Volume	Value	Volume	Value
<b>White Wine</b>						
United Kingdom	900,743	352,577	1,001,061	388,312	920,380	377,688
<b>United States</b>	<b>283,796</b>	<b>164,705</b>	<b>392,389</b>	<b>218,897</b>	<b>504,726</b>	<b>221,481</b>
New Zealand	91,987	21,200	101,087	23,319	115,475	28,620
Canada	50,849	27,106	64,450	34,335	75,462	41,285
The Netherlands	38,923	13,042	45,245	15,802	62,046	19,573
Other	255,146	101,378	273,500	113,351	280,376	69,581
<b>Total</b>	<b>1,621,444</b>	<b>680,008</b>	<b>1,877,732</b>	<b>794,016</b>	<b>1,958,465</b>	<b>758,228</b>
	2001		2002		2003	
	Volume	Value	Volume	Value	Volume	Value
<b>Red Wine (incl Rose)</b>						
<b>United States</b>	<b>476,440</b>	<b>377,841</b>	<b>783,325</b>	<b>535,578</b>	<b>1,111,576</b>	<b>605,034</b>
United Kingdom	880,082	440,789	1,110,784	496,247	1,056,782	427,232
Canada	108,746	82,790	140,868	106,227	198,058	141,028
New Zealand	121,572	52,502	143,597	59,802	193,386	61,039
Germany	84,290	39,219	89,008	35,640	172,994	44,479
Other	370,808	200,164	446,329	235,395	548,524	251,500
<b>Total</b>	<b>2,041,938</b>	<b>1,193,305</b>	<b>2,713,911</b>	<b>1,468,889</b>	<b>3,281,320</b>	<b>1,530,312</b>
	2001		2002		2003	
	Volume	Value	Volume	Value	Volume	Value
<b>Champagne</b>						
United Kingdom	28,264	20,887	30,190	18,859	37,606	21,526
New Zealand	9,064	4,833	12,118	7,066	11,896	7,228
Sweden	1,779	811	2,192	1,064	2,459	1,154
Japan	1,886	1,634	1,636	1,219	2,208	1,456
<b>United States</b>	<b>2,031</b>	<b>1,783</b>	<b>1,493</b>	<b>1,690</b>	<b>1,556</b>	<b>1,430</b>
Other	6,073	3,883	6,602	4,254	8,309	5,308
<b>Total</b>	<b>49,097</b>	<b>33,831</b>	<b>54,231</b>	<b>34,152</b>	<b>64,034</b>	<b>38,102</b>
	2001		2002		2003	
	Volume	Value	Volume	Value	Volume	Value
<b>Other Sparkling Wine</b>						
United Kingdom	7,041	3,672	8,324	4,359	11,202	5,159
New Zealand	3,574	1,426	4,605	1,761	6,118	2,329
<b>United States</b>	<b>2,299</b>	<b>1,421</b>	<b>4,646</b>	<b>3,825</b>	<b>3,214</b>	<b>2,388</b>
Japan	2,390	1,113	2,725	1,430	2,049	1,204
Canada	2,584	1,085	2,206	1,497	1,549	958

Other	3,082	2,208	4,126	2,472	4,559	2,694
<b>Total</b>	<b>20,970</b>	<b>10,925</b>	<b>26,632</b>	<b>15,344</b>	<b>28,691</b>	<b>14,732</b>
	<b>2001</b>		<b>2002</b>		<b>2003</b>	
	Volume	Value	Volume	Value	Volume	Value
<b>Fortified Wine (incl Sherry, Port, Muscat, Dessert Wine)</b>						
United Kingdom	7,874	2,675	18,029	9,014	8,476	4,086
<b>United States</b>	<b>3,322</b>	<b>3,525</b>	<b>4,895</b>	<b>5,401</b>	<b>5,048</b>	<b>5,211</b>
Canada	4,357	1,536	4,716	1,871	4,626	1,884
New Zealand	3,194	1,471	2,552	1,465	2,261	1,252
Thailand	483	108	399	86	738	155
Other	3,340	2,070	3,912	2,634	3,056	2,438
<b>Total</b>	<b>22,570</b>	<b>11,385</b>	<b>34,503</b>	<b>20,471</b>	<b>24,205</b>	<b>15,026</b>
	<b>2001</b>		<b>2002</b>		<b>2003</b>	
	Volume	Value	Volume	Value	Volume	Value
<b>Vermouth</b>						
New Zealand	892	445	1,088	622	1,089	552
Malaysia	262	105	126	48	207	78
Singapore	93	110	93	48	193	71
Wallis & Futuna Isl	0	0	0	0	9	5
Hong Kong	10	26	20	2	8	3
<b>United States</b>	<b>0</b>	<b>0</b>	<b>76</b>	<b>82</b>	<b>0</b>	<b>0</b>
Other	28	31	38	35	7	9
<b>Total</b>	<b>1,285</b>	<b>717</b>	<b>1,441</b>	<b>837</b>	<b>1,513</b>	<b>718</b>
	<b>2001</b>		<b>2002</b>		<b>2003</b>	
	Volume	Value	Volume	Value	Volume	Value
<b>Other (incl Grape Must)</b>						
New Zealand	7,565	1,571	1,274	816	3,312	1,179
<b>United States</b>	<b>1,243</b>	<b>1,699</b>	<b>1,573</b>	<b>2,032</b>	<b>1,815</b>	<b>1,380</b>
Japan	4,099	454	983	779	837	791
Malaysia	112	148	298	396	608	324
Hong Kong	262	136	151	112	253	359
Other	2,206	2,639	3,670	2,295	2,143	1,528
<b>Total</b>	<b>15,487</b>	<b>6,647</b>	<b>7,949</b>	<b>6,430</b>	<b>8,968</b>	<b>5,561</b>
	<b>2001</b>		<b>2002</b>		<b>2003</b>	
	Volume	Value	Volume	Value	Volume	Value
<b>Total Wine Exports</b>						
United Kingdom	1,824,493	821,078	2,168,677	916,911	2,034,630	795,849
<b>United States</b>	<b>769,131</b>	<b>550,974</b>	<b>1,188,398</b>	<b>767,506</b>	<b>1,627,934</b>	<b>836,924</b>
New Zealand	237,847	83,447	266,321	94,850	333,538	102,200
Canada	167,159	112,991	213,196	144,652	280,795	185,903

Germany	132,024	53,399	139,374	51,802	230,456	58,995
Other	642,136	314,929	740,433	364,417	859,843	382,807
<b>Total</b>	<b>3,772,790</b>	<b>1,936,818</b>	<b>4,716,399</b>	<b>2,340,138</b>	<b>5,367,196</b>	<b>2,362,678</b>

PROJECTED WINE GRAPE PRODUCTION, BY CATEGORY				
(METRIC TONS)				
	Estimated	Projected production		
	intake			
	2001/02	2002/03	2003/04	2004/05
<b>White Wine Grapes</b>				
Premium (a)	482,000	596,000	643,000	684,000
Non-premium (b)	11,000	19,000	19,000	19,000
<b>TOTAL</b>	493,000	615,000	662,000	703,000
<b>Red Wine Grapes</b>				
Premium (c)	748,000	982,000	1,010,000	1,022,000
Non-premium (d)	31,000	48,000	49,000	50,000
<b>TOTAL</b>	779,000	1,030,000	1,059,000	1,072,000
Multipurpose grapes for wine making (e)	88,000	95,000	95,000	96,000
Other (f)	51,000	70,000	78,000	82,000
<b>Total grapes for wine making</b>	1,411,000	1,810,000	1,894,000	1,952,000



<b>DOMESTIC WINE SALES &amp; IMPORTS, BY TYPE</b>					
<b>(HL)</b>					
	1998/99	1999/00	2000/01	2001/02	2002/03
<b>DOMESTIC SALES OF AUSTRALIAN WINE</b>					
Table wine	2,874,000	3,071,000	3,246,000	3,296,000	3,432,000
Dry red and rose	991,000	1,141,000	1,256,000	1,301,000	1,423,000
Dry white and sweet	1,883,000	1,930,000	1,990,000	1,995,000	2,009,000
Sparkling wine	326,000	325,000	307,000	294,000	315,000
Bottle-fermented	203,000	182,000	167,000	174,000	229,000
Bulk	123,000	144,000	140,000	120,000	86,000
Carbonated wine	14,000	35,000	33,000	31,000	28,000
Total unfortified wine	3,215,000	3,432,000	3,585,000	3,621,000	3,775,000
Fortified wine	239,000	230,000	222,000	204,000	208,000
Other wine, inc. Vermouth	30,000	31,000	34,000	28,000	27,000
<b>TOTAL</b>	<b>3,483,000</b>	<b>3,693,000</b>	<b>3,841,000</b>	<b>3,853,000</b>	<b>4,012,000</b>
<b>WINE IMPORTS</b>					
Table wine	201,000	141,000	81,000	92,000	116,000
Sparkling wine	29,000	38,000	29,000	33,000	39,000
Fortified wine	1,000	7,000	1,000	2,000	2,000
Other	11,000	10,000	16,000	18,000	15,000
<b>Total</b>	<b>243,000</b>	<b>196,000</b>	<b>128,000</b>	<b>145,000</b>	<b>171,000</b>
<b>Total sales of wine in Australia</b>	<b>3,726,000</b>	<b>3,889,000</b>	<b>3,969,000</b>	<b>3,998,000</b>	<b>4,183,000</b>